GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Industries & Commerce Department – Sugars – Taking back of Land from Auction Purchaser of Amadalavalasa Coop. Sugars Ltd., Amadalavalasa, Srikakulam Dist. and hand over to APIIC and to pay back the sale consideration to the Auction Purchaser with a compounded interest rate at 10.5% - Orders – Issued.

INDUSTRIES & COMMERCE (PROGRAMME-II) DEPARTMENT

G.O.MS.No. 162 Dated: 18-11-2016

Read the following:-

1. Report of High level Committee under the Chairmanship of Sri K. Subrahmanyam, IAS (Retd.,) .
2. G.O. Ms. No.23, Public Enterprises (I) Department, dt: 20-11-2004.
3. Orders of Hon'ble High Court dt:02-03-2016 in W.P.Nos.18572/2004 and 24149/2004.
4. Representation of M/s.Ambika Sugar & Agro Industries Pvt. Ltd., Dated:26.03.2016

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O R D E R:-

Based on the report of High Level Committee under the Chairmanship of Sri K. Subrahmanyam, IAS (Retd.,) the Amadalavalasa Coop. Sugars Ltd. was specified as "B" Category Coop. Sugar Factory along with another 5 Coop. Sugar Factories, since the Society became sick, having its net worth totally eroded and cannot undertake its crushing operations in a viable manner. Government have taken a decision for privatization of (B) Category Coop. Sugar Factories in phased manner, under the provisions of Section 12-A of A.P.C.S. Act 1964, which was incorporated during the year 1996.

2. Government have initiated action for sale of the assets of Amadalavalasa Coop. Sugars Ltd., Amadalavalasa under Section 12-A of A.P. Cooperative Societies Act 1964. Accordingly, tenders were called for and the assets of the factory were sold to M/s. Ambica Laminations Private Limited being the preferred Bidder @ Rs.6.20 crores. The EMD amount of Rs.20.00 lakhs paid by M/s.Ambica Laminations Pvt. Ltd., was adjusted against the Store material of the Society, at a total sale consideration of Rs.6.40 crores. Accordingly, a sale & purchase agreement was executed on 04-03-2004 by the Society with the preferred bidder M/s .Ambica Laminations Pvt. Ltd., and the complete physical possession of the assets of the Society was taken place on 27-03-2004. In the G.O. 2nd read above, all the employees of the Coop. Sugar Factory were relieved under VRS with effect from 23-04-2004 and the VRS claims of all 221 employees were settled.

3) Some of the cane growers / share holders of M/s.Amadalavalasa Coop. Sugars Ltd., Amadalavalasa filed W.P.Nos.18572/2004 and 24149/2004 in the Hon'ble High Court against the privatization of the Coop. Sugar Factory. The Hon'ble High Court have passed interim directions not to execute any Sale Deed in favour of M/s. Ambica Laminations Pvt. Ltd., transferring the assets or liabilities of the Amadalavalasa Coop. Sugars Ltd., and accordingly, Sale Deed could not be materialized.

4) In the reference 3rd read above, Hon'ble High Court have disposed the Writ Petitions with the following common order W.P.No.2124 of 2005 is allowed in terms of the prayer made therein in view thereof and in view of the f act that there is no dispute that the prayers in other two petitions are also covered by the prayer made in WP No.2124/2005. Those two petitions are also disposed of in terms thereof . It is open to respondent No.5 Auction Purchaser to make a representation, as

aforementioned to the concerned authority of the Government within a period off our weeks from today. The concerned authority shall consider and decide the representation as expeditiously as possible and preferable within a period of four months from the date of receipt of the representation. It is needless to mention that the concerned authority shall decide the representation on merits and strictly in accordance with law. While granting the liberty, we shall not be understood to have examined respondent No.5-auction purchaser's right in maiking representation as aforementioned".

5) In the representation 4th read above, in pursuance of the High Court orders, the Ambika Sugar & Agro Industries Private Limited has submitted a claim for an amount of Rs.55,35,30,868, as the sale deed could not be materialized since 2004.

6) Govt. after careful examination of the matter and keeping in view the orders of Hon'ble High Court and after following due course of procedure, decided and accordingly hereby order to take back the land from Auction Purchaser of Amadalavalasa Cooperative Sugars Ltd., Amadalavalasa, Srikakulam District and hand over the land to APIIC. The Implementation Secretariat of Public Enterprises Dept. shall transfer the balance sale proceeds (including EMD & interest) in respect of Amadalavalasa Co-operative Sugars Limited available with them to APIIC. The APIIC shall pay back the total sale consideration to the Auction Purchaser with a compounded interest rate at 10.5%, duly bearing the balance amount.

7. The Director of Sugar & Cane Commissioner, Tadepalli and the VC&MD, APIIC, Vijayawada shall take necessary action in the matter.

8. This order issues with the concurrence of Finance Department vide their U.O.No.45/1//2016-SO(FMU-Rev.-I&C), Dt.08-10-2016.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

M. G IRIJA SHANKAR,
SECRETA RY TO GOVERNMENT

To
The Implementation Secretariat of PE Dept.
The Director of Sugar & Cane Commissioner, Tadepalle, Guntur Dist..
The VC&MD, APIIC, Vijayawada.
The Ambica Sugar & Agro Industries Pvt. Ltd. thro'Director of Sugar,Tadepalle.
Copy to:
The Finance (FMU.Rev.-I&C) Dept.,
P.S. to the Prl. Secretary to Chief Minister
P.S. to the Chief Secretary to Government
P.S. to the Spl. C.S. to Govt., P.E. Dept.
P.S. to the Secretary to Government &CIP,(Industries & Commerce) Dept.
P.S. to the Secretary to Government(H&T),(Industries & Commerce) Dept.
SC /SF.

//FORWARDED:: BY ORDER//

SECTION OFFICER